



# Legislative Research Council

# MINUTES Bonding Committee

---

**First and Final Meeting  
2014 Interim  
November 10, 2014**

**Room 413  
State Capitol  
Pierre, South Dakota**

The first and final meeting of the Bonding Committee for the 2014 interim was called to order by Chair Senator Ryan Maher at 4:00 p.m., November 10, 2014, in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Corey Brown, Phyllis Heineman (via telephone), Larry Lucas (Ranking Minority Member), Ryan Maher (Chair), Deb Peters (via telephone), Deb Soholt (via telephone), and Craig Tieszen; and Representatives Brian Gosch (via telephone), Isaac Latterell, and Betty Olson. Members excused: Representatives Lance Carson (Vice Chair), Spencer Hawley, Charles Hoffman, Kathy Tyler, and Steven Westra.

Staff members present included Fred Baatz, Principal Research Analyst; and Cindy Tryon, Senior Legislative Secretary.

(NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was web cast live. The archived web cast is available at the LRC web site at <http://legis.state.sd.us> under "Interim Information – Current Interim – Minutes and Agendas.")

## **Reception of Annual Reports**

### **South Dakota Housing Development Authority (SDHDA)**

**Mr. Todd Hight, Director of Finance, and Mr. Mark Lauseng (by telephone), Executive Director, South Dakota Housing Development Authority**, presented the Authority's annual report, audited financial statements, a report indicating indebtedness of the Authority, and a list of fees paid to professional service providers (**Document #1**).

Mr. Hight reported that SDHDA has issued \$95.8 million in bonds for the First-time Homebuyer Program. SDHDA also loaned more than \$145 million to 1,219 First-time Homebuyer families during FY 2014. Currently, the interest rates for this program range from 3 3/8% – 4 3/8%.

Mr. Hight said that through the Governor's House program, a total of 103 homes were sold in 2014 as of June 30. A total of 2,206 homes have been sold through this program since its inception in 1996.

The South Dakota Housing Opportunity Fund (HOF) was established through SB 235 in the 2013 Legislative Session. During fiscal year 2014, a total of \$3.7 million was allocated resulting in 646 housing units throughout South Dakota.

### **South Dakota Conservancy District**

**Ms. Elayne Lande, Grant and Loan Specialist, Department of Environment and Natural Resources**, presented The South Dakota Conservancy District Report (**Document #2**). This program oversees the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, and, as of June 30, 2014, has entered into 607 binding State Revolving Fund commitments totaling \$992 million.

### **South Dakota Value Added Finance Authority**

**Ms. Terri LaBrie, Finance Director, Department of Agriculture**, presented the South Dakota Value Added Finance Authority (VAFA) annual report (**Document #3**). The VAFA board consists of 7 members all appointed by the Governor, and their mission is to provide lower cost financing for qualifying beginning farmers and agricultural businesses.

The Value Added Finance Authority issued a total of four tax exempt bonds in SFY 2014 totaling \$1,355,515. The Authority also closed two Value Added Agribusiness Relending Program loans totaling \$205,000, commissioned a study with Value Added Sub Funds for a county site analysis program for \$100,000, and approved an application using VASF for a feasibility study for a digester project in the amount of \$33,750.

**Senator Corey Brown** asked why the use of this program has declined over these recent years. Ms. LaBrie said that the low interest rates with other lenders have affected the state program.

**Senator Ryan Maher** asked about the marketing for this program. Ms. LaBrie said that they market to community banks, as well as attending trade shows and the farmer's symposium at SDSU.

### **South Dakota Economic Development Finance Authority**

**Mr. Aaron Scheibe, Deputy Commissioner, Governor's Office of Economic Development**, introduced **Ms. Kim Easland, Finance Director**, and she presented the Economic Development Finance Authority (EDFA) Annual Financial Report (**Document #4**).

Ms. Easland reported that two Agricultural Processing and Export Program (APEX) loans were approved in FY 2014 totaling \$330,250. One project provides 63 jobs in Howard, SD, and the other project provides 7 jobs in Mitchell, SD.

### **South Dakota Building Authority**

**Mr. Dustin Christopherson, Associate Director, and Mr. Steve Corbin, Finance Officer, South Dakota Building Authority**, gave the report for FY2014 (**Document #5**).

In FY2014, the Board of Regents were approved for \$67,240,000 in infrastructure projects; and \$10,000,000 for the USD Sports Complex. The Department of Game, Fish and Parks received \$4,500,000 for the Angostura Recreation Area and the Cedar Shore Recreation Area.

Series 2014A projects included the SDSU football stadium for \$36,000,000; Good Earth State Park for \$1,474,000, and Custer State Park for \$726,000.

**South Dakota Health and Educational Facilities Authority**

**Mr. Dustin Christopherson, Associate Director, and Mr. Steve Corbin, Finance Officer, South Dakota Health and Educational Facilities Authority, gave the report for FY2014 (Document #6).**

Series 2014A regarding Technical Education, refunded Series 2004 bonds, project amount was \$1,790,000.

Avera Health was approved for projects totaling \$58,750,000. Sanford Health was approved for projects totaling \$52,000,000. Westhills Village Retirement Center, Series 2014, refunded Series 2006 bonds, total project amount was \$9,005,000. Sanford Health was approved for another project totaling \$186,105,000.

---

**SENATOR BROWN MOVED, SECONDED BY REPRESENTATIVE LATTERELL, THAT THE EXECUTIVE BOARD RECEIVE AND ACCEPT THE BONDING REPORTS INTO RECORD. The motion prevailed unanimously on a roll call vote with 10 voting AYE, 5 EXCUSED. Those voting AYE: Brown, Heineman, Lucas, Peters, Soholt, Tieszen, Gosch, Latterell, Olson, and Maher. Those EXCUSED: Hawley, Hoffman, Tyler, Westra, and Carson.**

**Adjourn**

**SENATOR LUCAS MOVED, SECONDED BY SENATOR HEINEMAN, THAT THE BONDING COMMITTEE BE ADJOURNED. The motion prevailed unanimously on a voice vote.**

The committee adjourned at 5:00 p.m.

All committee agendas and minutes are available on the LRC website: <http://legis.sd.gov/>. You may subscribe to electronic delivery of agendas and minutes at *E-Subscribe* on the LRC website.